There was agreement that G 20 countries will fight protectionism and aim for a successful conclusion of the Doha Round in 2010. Also, on the Climate change the Leaders reaffirmed the primacy of the UNFCCC and agreed to cooperate for an agreed outcome at Copenhagen.

The Leaders also committed to implementing recovery plans that support decent work, help preserve employment, and prioritize job growth and to provide income, social protection, and training support for the unemployed and those most at risk of unemployment. One of the other major outcomes of the Pittsburgh Leaders' Summit has been to make the G-20 the premier multilateral forum for discussing international economic issues.

Restructuring rural credit delivery system

485. SHRI SANTOSH BAGRODIA:

SHRI GIREESH KUMAR SANGHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government proposes to restructure the institutional architecture for the delivery of rural credit;

(b) whether there is a proposal to make National Bank for Agriculture and Rural Development (NABARD), the apex regulator for the rural credit with coverage extending to the Regional Rural Banks (RRBs);

(c) if so, whether Government has instituted any study in this regard; and

(d) if so, the details of the terms of reference of such study?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) In order to reposition RRBs as an effective instrument of credit delivery, Government of India, in consultation with NABARD, the State Governments and the sponsor banks initiated a process for structural consolidation of RRBs by amalgamation of RRBs sponsored by the same bank within a State in September 2005. Consequent upon the amalgamation, the number of RRBs has been reduced from 196 to 84 as on date. The structural consolidation of RRBs has resulted in the formation of new RRBs which are financially stronger and bigger in size in terms of business volume and outreach, enabling them to take advantages of the economies of scale and reduce operational costs.

(b) No, Sir.

(c) and (d) Does not arise.

Cooperative and regional rural banks

†486. SHRI SATYAVRAT CHATURVEDI:

SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether Government is aware that most of the Cooperative Banks and Regional Rural Banks are running in the country without required licence;

(b) whether it is also a fact that Government is making efforts to run all Cooperative and Regional Rural Banks as systematic banking institutions;

(c) whether Government had approved an amount of Rs. 6,639 crores in July, 2009 to reorganize the rural cooperative lending institutions; and

(d) whether Government would consider assisting only licence holder Cooperative and Regional Rural Banks in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) Regional Rural Banks (RRBs) are established under a separate statute *viz.* RRBs Act, 1976 and do not require licence for the purpose. RRBs, however, require licence from Reserve Bank of India (RBI), for opening of branch/es under section 23 of Banking Regulation Act.

As regards cooperative banks, there are 31 State Cooperative Banks (StCBs) and 371 District Central Cooperative Banks (DCCBs), at the end October, 2009, in the country, out of which, 17 StCBs and 296 DCCBs are unlicensed. These unlicensed banks are allowed to function as banks under Section 22 of the Banking Regulation Act, 1949 (AACS) till they are granted licence or their applications for licence are rejected in writing by the Reserve Bank of India.

Following measures have been taken to run RRBs as systematic institutions:

(i) The Reserve Bank has constituted Empowered Committees for RRBs in its Regional Offices with members drawn from NABARD, sponsor banks, convenors of SLBCs and State Government concerned to ensure that the RRBs adhere to good governance and comply with prudential regulations. The Committees would also focus on operational issues and provide clarifications on regulatory issues.

(ii) In order to reposition RRBs as effective instruments of credit delivery Government of India, in consultation with NABARD, the State Governments and the sponsor banks initiated State-level sponsor bank-wise amalgamation of RRBs. Consequent upon the amalgamation effected since September 12, 2005, the total number of RRBs declined from 196 to 84 as on date. The structural consolidation of RRBs has resulted in the formation of new RRBs which are financially stronger and bigger in size in terms of business volume and outreach, enabling them to take advantages of the economies of scale and reduce operational costs.

(iii) In terms of the Budget Announcement for the year 2007-08, 27 RRBs were identified for recapitalisation for an amount of Rs. 1795.97 crore. All these 27 RRBs having negative net-worth have been fully recapitalised with an aggregate amount of Rs.1796 crore.

(iv) RBI had set up two Working Groups for (i) preparing a road map for RRBs to adopt appropriate technology and migrate to Core Banking Solutions and (ii) examining provision of financial assistance to RRBs for defraying cost in implementing information and communication technology (ICT) based solutions for financial inclusion. The implementation of Groups' recommendations is in progress.

Further, the Government of India had set up a Task Force under the chairmanship of Prof. A. Vaidyanathan in August 2004 to formulate a practical and implementable plan of action to rejuvenate short term rural co-operative credit structure comprising State Co-operative Bank at the apex (State) level, Central Co-operative Banks at the intermediate (district) level and Primary Agricultural Credit Societies (PACS) at the ground (village) level. Based on the recommendations of the Task Force and in consultation with the State Governments, the Government of India approved a Package in 2006 for revival of the short-term rural co-operative credit structure. The total financial assistance under the Revival Package has been estimated at Rs 13,596 crore to be shared by the Central Government, State Governments and Co-operative Credit Structure. As on September 30, 2009, an amount of Rs.7000.40 crore has been released by NABARD as Government of India's share for recapitalisation of 37,088 PACS in ten States, while the State Governments have released Rs.659.22 crore as their share.

Compensation paid by insurance companies

†487. SHRI PRABHAT JHA:

SHRI BALAVANT *ALIAS* BAL APTE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that due to fraud committed by customers and agents, insurance companies have to pay huge compensation;

(b) if so, the details thereof;

(c) the measures available with Government to check such frauds;

(d) the reasons for the failure of Government's measures; and

(e) the further stringent steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (e) The information is being collected and will be laid on the Table of the House.

Income tax raids in Gujarat

488. SHRI PARIMAL NATHWANI: Will the Minister of FINANCE be pleased to state:

(a) the number of searches and seizures conducted by Government to unearth unaccounted money in Gujarat during the last three years;

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†Original notice of the question was received in Hindi.